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IURA Request for Information/Clarifications – Newman/Visum

Project Site

Please clarify the western and eastern boundaries of the site you seek to acquire. If the project site to be acquired extends west of the shared N-S access easement, please clarify how many parking spaces and bicycle facilities will remain to serve City Hall.

The program for the west end outdoor area will be a balance between the desired amount of public gathering space and necessary access/parking area, which will be discussed and vetted with the IURA and other stakeholders. As currently represented in the schematic design, including the new enclosed plaza entrance into City Hall and common spaces, the area would accommodate four parking stalls (including two handicap spaces) and the same amount of bicycle storage as now available.

The final design of the outdoor common areas, parking spaces and City Hall entrance plaza will be discuss and planned with the IURA et al.

We also intend to purchase the air rights above the eastern section of the parking garage, above Jeff Rimlands parcel. Our intention would be twofold, eventually develop this site as a phase 2 project. Secondly, this site would act as a back up location for the conference center. In the event that the financials of the conference center have not been fully vetted and committed to by the City and County, by the time the western parcel is developed, this site provides a tremendous opportunity to still be able to provide the conference center downtown.

RFP Application Form

As previously requested please complete and submit the full RFP application form. Your submitted proposal includes most, but not all, of the information requested in the application form.

Attached.

Quantified Public Benefits

The application form asks for the monetary value of the projected net present value of community benefits offered by your proposed project. Please provide the following information in addition to the NPV of community benefits provided:

- ***Identify the benefits provided***
 - Affordable Housing at 30% to 80% of AMI
 - Workforce Housing at 90% to 100% of AMI (25% to 30% under market) **Please note, our team plans to apply for all available tax credit programs as well as additional money from the URI grant program. If we were able to be awarded \$8MM to \$10MM like some of the other groups have requested, we would be able to reduce our workforce housing to as low as 70%AMI to 80% AMI. And/or reduce the Market rate apartments to become workforce.** This can be a viable option and will depend on the City's desired unit mix.

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- Market Rate Housing
 - New Mixed Retail
 - Art Park community space on east side, facing Cinemapilis
 - Enclosed City Hall plaza entrance and community space
 - Home Dairy Alley improvements
 - North walkway / public easement improvements
 - 4-story vertical parking additional to center garage
 - Repairs & refurbishment to center garage
 - Repairs & refurbishment to east garage
 - 100% turnkey development including design, entitlements, construction, financing and operations.
 - 100% at-risk funding of all pre-construction costs (no financial risk to City)
- ***Provide your calculation of the NPV***

Attached. Please note, with the addition of the conference center, we anticipate the community benefit to be \$10MM to possibly \$20MM, depending on the success of the conference center. Without the conference center, we are showing a NPV of \$13,623,000. With the conference center we are showing a NPV of \$23,623,000 to \$33,623,000.

- ***Specify any cost savings your proposal offers to the City for construction/renovation of public parking.***
 - 100% non-recourse project financing
 - No City up-front costs, expenditures or exposure
 - Efficient tax-exempt financing offering high leverage and low interest rate
 - 100% turnkey development, with no utilization or exposure for City resources

City Out-of-Pocket Expenses & New Maintenance Responsibilities

Please identify all City out-of-pocket expenses (besides net deficiency payments on tax-exempt bonds) required by your project proposal and any new maintenance responsibilities. For instance, is the public plaza intended to be maintained by the City or the non-profit entity owning the garage?

The public plaza spaces will involve improvements to areas that are currently owned and maintained by the City. The completed improvements will be similarly owned and maintained by the City.

The Workforce/Affordable/Retail property will be self-supporting in terms of maintenance and building operations, including the immediately surrounding outdoor spaces.

As referenced in the questions, the Garage facilities will be similarly self-supporting for maintenance and operations, but are expected to involve and annual deficiency as noted.

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There are no other aspects of the proposed projects and development that we expect to impose new out-of-pocket expenses or other burdens on the City.

We believe it is worth re-emphasizing that the Newman/Visum/INHS Team is well prepared to fund all pre-construction costs with no contribution or risk for the City. These represent \$4 million to \$5 million in at-risk out-of-pocket costs that must be paid to create 100% design construction documents and required materials, reports and studies to secure all approvals, entitlements and project financing. In the current development and financial climate, these significant and essential costs cannot be “deferred to closing”, as the design professionals and third-party vendors cannot go unpaid for 12-months or more and will not be at risk of non-payment if the project does not close for any reason. The Newman/Visum/INHA Team has the ready financial resources to ensure that the development process proceeds efficiently and effectively without the possibility of delay or failure due to lack funding or commitment. The IURA and City also do not have the risk any tangential financial exposure or loss of credibility due to a failed process.

Parking Demand

Please estimate the parking demand created by your project for residential use and non-residential use.

The projection for parking demand for the residential units, which includes mix of affordable, workforce and market rate units, is estimated at approximately 60 to 80 parking spaces. This projection is based on INHS’s experience with their resident base and the expectation that many residents that will be drawn to this type of project in this specific location will not expect to have a car, but will instead take advantage of the walkable location, bikeable location (supported by the project’s excellent bike storage and the City’s LimeBike bike share program), the expansive TCAT bus access immediately available and the convenient Ithaca CarShare vehicles that will be located adjacent to the site.

The 20,000 square feet of retail space is projected to utilize approximately 40 parking spaces.

Please include an estimate of daytime and night time peak parking demands.

Commercial Space

Storefront retail is facing numerous challenges nationwide that suggest finding tenants for 20,000 SF of new retail space may be challenging. If strong tenants are not secured, the goal of creating street-level activity will not be achieved. Please address this concern.

Our project was designed and conceived to potentially accommodate four different scenarios for the 20,000 square feet of street-level retail depending on the final level of interest from prospective tenants and the desires and expectations of the IURA, the City and other stakeholders. The four scenarios include:

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1. Single Retailer – NDG has had very good interest from a mixed-product retailer who is looking seriously at the entire 20,000 square foot space and finds the market and location highly desirable. Discussions are active and on-going. This retailer will also have a large grocery component, with products that are affordable but also focused on an organic component. Down town Ithaca genuinely needs a full service grocery store that locals in the downtown core can walk to, especially considering the amount of new bedrooms that are currently being built.
2. Multiple Tenants – NDG has recently signed three superior quality tenants for the City Centre project and had a high level of interest from a number of additional tenants that had to be turned away. NDG believes that these and other prospective tenants seeking 3,000 to 5,000 square foot spaces will find the Green Street location to be highly attractive based on the high traffic counts, pedestrian activity, mass transit access, proximity to The Commons, adjacency to significant downtown residential neighborhoods and availability of convenient parking. With NDG's extensive retail experience, we believe there will be good opportunities to attract desirable tenants, which may include restaurant, café, retail, services businesses, etc.
3. INHS – INHS will be seeking new professional office space downtown and are interested in considering the Green Street location if it is available and if their business use would be deemed a desirable use by the IURA for this project.
4. Conference Center – our Team has expressed a willingness to work with IURA and stakeholders involved with the Conference to evaluate whether the proposed Conference Center represents a desirable, viable

Parking Construction Cost

As financially structured with the City responsible for net deficiency payments on the tax-exempt bonds, it is likely that the parking garage component will be considered a Public Works Project pursuant to NYS Dept. of Labor law thereby requiring NYS prevailing wages to be paid on this component of the project. Are NYS prevailing wages factored into your parking construction/rehabilitation budget?

It is understood that the tax-exempt bond financing will involve NYS prevailing wage rates. In this early stage of working from conceptual plans, typical project costs are used to prepare budget projections. In general, a standard above grade parking garage can expect construction costs in the range of \$65.00 to \$75.00 per square foot. If a project involves prevailing wage rates there would typically be a cost premium of 15% to 20%. Therefore, a reasonable estimate for this project, based the amount of information currently available, is that construction costs would range between \$75.00 to \$90.000 per square foot. Given that among the goals of the overall project development is to try and keep public parking rates low and to minimize the City's financial requirements and exposure, the assumption in the provide pro formas was that with efficient design the \$75.00 per square foot cost assumption was reasonable. It is further assumed that through a programming and project definition process a more detailed construction plan can be designed and different financial assumptions and structures can be

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modeled. The City, IURA et al will be able to make decisions regarding the garage construction, design and financial structure that best meets their goals and expectations.

If not, please revise the garage renovation budget to show the impact of prevailing wages applied to the parking component of the project.

To provide some sensitivity analysis as to the overall impact of different costs and various financial assumptions, several alternative financial models are included.

You can find NYS prevailing wages determination [here](#).

Financing Plan

Thank you for providing detailed uses and sources statements and cash flow statements, including assumptions, for each major component of the project. Regarding the garage financial plan, please note that the tax-exempt bond structure will likely also require prefunding of the following funds: debt service reserve fund, rate stabilization fund, and long-term maintenance fund, which may increase the initial bond issuance by over \$1.5 million. While these funds revert back to the City if unused after 30 years, they may increase debt service by almost \$100,000/year that is not factored into your financing plan. Please let me know if you think these funds will not be required.

This project and the proposed financing structure appear to fit the typical criteria for a bank bond and private placement vs. a public offering, which would offer a number of efficiencies and benefits. A bank bond typically involves lower costs of issuance, may provide a lower overall rate of interest and generally does not require a debt service reserve fund (DSRF) or other reserves. This is the financing structure that was assumed for the provided pro formas and therefore it was assumed that the DSRF and other reserves would not be required.

There are other details of the tax-exempt bond structure that may be adjusted based on the final circumstances and the goals and objectives of the owner. For example, they can potentially be an initial period of interest only that may run for 12 to 23 months. There can also be a flexible principal amortization schedule that includes lower principal payments in early years, which are back loaded and paid in later years.

It is assumed that through the pre-development review process that multiple scenarios for design, construction and financing will be analyzed and modeled to achieve the optimal overall structure for all stakeholders.

To provide some perspective of the impact of alternative approaches, several different financial models are provided here that incorporate different assumptions.

Incentives – Property Taxes

The requested 30-year PILOT for the mixed-use project beginning at a 100% abatement of new valuation in year #1 and declining by 3.33%/year appears to be a very deep subsidy. If this abatement can be reduced to 10-years, the project could generate significant revenues to defray public infrastructure investments in parking. As proposed, the mixed-use component of the project (141

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moderate-income housing units and 20,000 SF of commercial space) generates only \$241,490 of property tax revenue in year #10 after the requested tax abatement. As the City receives about 1/3 of total property taxes collected, increased city property revenues of approximately \$80,000/year will fall far short of covering the projected \$231,000/year financial gap to finance parking construction.

Please explain why a tax abatement extending more than 10 years is required for financial feasibility. Per your 10-year cash flow projection, by year #10 the project appears to generate sufficient Net Operating Income (NOI) before any tax abatement to achieve a 1.37 Debt Service Coverage Ratio (DSCR) and a Cash-on-Cash return of over 15% (NOI before tax abatement = \$2,848K minus \$2,069K debt service = \$779K cash flow; $\$779K/\$5,000K=15.5\%$). It is not clear why the project requires a tax abatement that extends more than 10 years.

There are many financial factors and risk variables evaluated for a new development project regarding project costs and the construction process. There are additional factors and risks projected over the term of property operations and financial investment period for occupancy, revenues, expenses, and interest rates. The bank/construction lenders have established criteria for loan-to-cost, debt service coverage, debt yield and personal guarantees from borrowers that must all be satisfied. Equity investors also have criteria for risk and return thresholds that must be met to induce their contributions of funds. All of these factors are projected at the front-end of a project before the first shovel is in the ground to model results that must be acceptable to lenders and investors. So, everything that is projected to occur over the term of the loan and/or investment is part of the going-in evaluation and underwriting. Therefore, it is inappropriate to change a variable in a later period like year 10 and evaluate the financial impact on a standalone basis in that future period. There are significant risk factors and unknowns associated with long term projections that investors accept based on their going-in projected return. But there is no guarantee that the cash returns will be at all consistent with projections. Thus, changing an assumption in future periods, like changing from a 30-year PILOT to a 10-year PILOT, has a significant impact on the going-in financial decision made by the investor.

The projections included in the provided pro formas represent what we believe are the financial returns required by our lenders and investors to participate in the project.

The clearest illustration of impact on the project is that if the PILOT term is changed from a 30-year term to a 10-year term, property taxes per unit would increase by nearly \$3,000 per year (about \$250 per month) in year 11. Therefore, to maintain a consistent going-in return to investors, rents would need to increase by \$250 per month starting in year-11. The ability to maintain affordable rents long into the future is therefore lost.

The overall financial impact to project is that the fair market value is decreased by about \$3 million.

One of the most important and fundamental goals of the RFP is to create affordable housing, especially within the "workforce" housing income range (i.e., 25% to 30% under market, as well as the potential to greatly reduce the income range, if we can secure tax credits and grants). To provide significantly below market rents, there must be means of reducing project costs and/or

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operating costs. As we discussed in our RFP submission and in the interview, we proposed utilizing the PILOT structure as one of the optimal means for reducing expenses because it is a variable within the control of the City and other local municipal entities (the County and School District) and is not dependent on uncontrollable, uncertain and dubious subsidies such as state grants or New Market Tax Credits.

Although we view the unilateral change of the proposed PILOT term from 30-years to 10-years as an unsustainable impact to the project, we are very willing and prepared to discuss possible alternatives to the financial structure that may find a balance that guarantees affordable rents, maintains acceptable financial returns and provides desired benefits to City and other stakeholders.

Public Spaces

It appears that the following proposed public spaces and public improvements:

- ***East side public plaza in front of Cinemapolis;***
- ***City Hall entrance plaza; and***
- ***Hardscape and landscape improvements (Home Dairy alley, utility corridor, Green Street)***

are solely dependent upon receipt of \$2 million of public grant funds. The public plaza in particular appears to be a critical component to create a high-quality urban environment for the project. In the event that public grant funds received fall short of \$2 million, which improvements would you propose be reduced or eliminated?

If grant funds are reduced or delayed, various elements can be rescaled and redesigned, including the City Hall entrance plaza, north alley walkway, Home Dairy Alley enhancements and the Community Art Park.

Our proposal can make an excellent public space that would be open to the sky, activated at street level, and celebrate our city's arthouse theatre - and would work to achieve that with a budget of any size. Our Team is committed to creating substantial and meaningful public spaces with whatever budget amount is obtainable. Our Team has a great deal of experience working creatively to maximize the benefits from available resources and finding means to cost effectively achieve quality results.

•
Is Newman/Visum willing to ensure a minimum level of improvements to the public plaza?

Yes. As noted, the public area improvements are important features of the overall Green Street redevelopment and we are confident that the minimum level of improvements can create important, quality public spaces of meaning.

If so, what is the guaranteed minimum level of improvements to the public plaza?

Our team would commit a minimum of \$500,000 that would be focused on improving the space between the proposed new building and Cinemapolis. We would prioritize high-quality paving, planting, and pedestrian-scaled lighting in this area. We believe that the addition of public art

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elements to the space between the new building and Cinemapolis, in particular, would be an important component of a truly successful urban space, and would work to secure funding for LED panels, projections, in-ground lighting, and similar interventions described in the proposal. We would do this in collaboration with surrounding arts organizations.

We understand that the public art elements may be delivered in phases. While our goal would be to secure funding for the full 'community art park' described in the proposal, a space that evolves over time could be just as successful. We look forward to the collaborative process with local arts leadership and with the City to realize this vision.

Exterior Building Design

Some concerns have been expressed about the conceptual design of the proposed high-rise building, particularly massing articulation, façade articulation and street-level materials. Is Newman/Visum open to revisit the building's exterior design in these areas even if there is some incremental increase in materials costs?

Going into the RFP response process, our Team anticipated that there would be design revisions as the process advanced and the IURA and other stakeholders became engaged. The massing, façade and street level materials are all design elements that we would expect to be part of the design development process that would include IURA et al and we are more than willing to discuss and make design revisions.

One of the strengths of our Team is that we all have a great deal of experience working together and with stakeholders in this type of engaged and interactive process. HOLT Architects and our entire design Team have an expansive body of work that expresses a broad breath of design styles, engineering solutions, construction types, etc., so we are confident that our Team can work with the IURA to create a building design that fulfills all expectations.

Does the building appear to conform to the recently adopted Downtown Design Guidelines?

It should first be stated that the the Visum and Newman development team including HOLT Architects and Whitham Planning have a long history of working with local municipal committees in a collaborative way through design. If it needs to be stated, we fully expect that if selected we will begin that process with the city, to listen carefully and integrate what we have heard in to a great architectural project.

While we are open to any discussion about design, we do believe that while contemporary, our design achieves the goals of the Design Guidelines. We will attempt to address the larger points from the Guidelines themselves:

- **Building Entries-** In our current design the ground floor tenants have not been identified and fully located. We agree that the concept images are not illustrating how a regular rhythm of building entries on the commercial floor will enhance the connectivity to the street and sidewalk. We anticipate articulated building overhangs to mark the multiple building entries down Green Street. HOLT's Breckenridge Place would be a good example of what we might envision for a building overhang. The project is also used as a precedent in the city's Design Guidelines under the section of Guiding Principles. The Breckenridge project which has been

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cited as a positive example of downtown architecture was completed by many of the individuals on the proposed team.

- **Windows-** the upper story windows have been vertically oriented as a nod to the historic context as the Design Guidelines suggest. Windows and their sizes correspond to the space within and are expressing the rhythm of bedrooms and living rooms on the exterior wall. We also understand that a few people have expressed a desire for brick on the ground levels of our design. Our team is very open to this possibility and would look forward to having those discussions with interested parties. The concept design that we have put forward is intentionally not trying to mimic the historic context. In fact in that section of Green Street many of the buildings are not considered historic. The largely glass lower floors is an architectural interpretation of how commercial/storefront has been implemented over time. To achieve Design Excellence, contemporary architecture needs to be expressive of its time and the materials we build with today. Frank Lloyd Wright wrote, “the ideal of an organic architecture....is sentient rational building that would owe its “style” to the integrity with which it was individually fashioned to serve its particular purpose—a thinking as well as a feeling process.” Therefore, the idea behind the glass on the ground floor is to allow ultimate transparency for the retail uses and because the nature of materials today is such that we do not need bricks to support a building. The building can appear to float and the glass can provide the best connectivity to the street. All that being said, if the city has a great desire for brick, we can certainly integrate brick into our design.
- **Materials-** In Figure 12 of the Design Guidelines you will see that all of our proposed materials comply with the guidelines. Cementitious Panel, Metal Panel, and Glass curtain wall all are acceptable Primary and Secondary materials. Once again, we are very open to the implementation of brick into our design.
- **Compatibility and Context-** Perhaps the most important aspect that the city should consider when evaluating all of the designs is the overall building massing. Aesthetics can and will evolve through the city’s approval process, but the massing is directly related to the number of units and viability of the projects presented to you. This project by leaps and bounds provides the most airspace between other significant structures like Harold Square. In many cases the other designs are within 15’-20’ of Harold Square for their entire height, creating a high rise alley of apartments looking directly into one another. This project simulates the normal urban context by providing the dimension equal to a street behind our building and between it and Harold Square.
From the Design Guidelines, “a building needn’t be “small” to express human scale; a building can accomplish human scale by providing articulation, detail and design elements that break larger-scale masses into smaller visual proportions.” Our design, while conceptual is beginning to accomplish this in many ways:
 - The fifth floor on the street has a significant step back. it was asked by an IURA board member whether we could make adjustments to the design to reduce the apparent scale. One possibility that we would entertain would be to step back the southwest corner of our building the same dimension as the rest of the south façade. We would be open to discussing this with IURA and the Planning Board if selected. (A step back is a useful method of reducing apparent building massing. The Design Guidelines on page 64 illustrate this with another HOLT Architects precedent (The Roy Park Building, on Aurora Street)).
 - Punched windows and storefront are/would be proportioned and divided in a way that relates

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to the context.

- Window and exterior paneling proportioning are and will continue to be developed to reduce the apparent building mass and will assure a compatible human scale. It has been suggested that the lower four floors could be broken down more by providing cladding color or material changes along the length of Green Street. We are open to that discussion if selected.

Finally, we'd like to stress one more time that this concept design was mostly done without opportunity to hear from the public, IURA, and Planning Board, and is a springboard to a collaborative process that this team regularly engages in with the city of Ithaca. We are very open to the suggestions that we have heard so far, and look forward to working with the city on this important downtown project.



108 E. Green St.
Third Floor, City of Ithaca (City Hall)
Ithaca, NY 14850
Tel: (607) 274-6565 | Fax: (607) 274-6558

PROJECT SPONSOR APPLICATION FORM

PROPERTY ADDRESS: 120 E. Green St., Ithaca, NY (Tax Parcel #: 70.-4-5.2)

— PART 1. APPLICANT INFORMATION —

Applicant Name(s): Newman Development Group, LLC

Address 1: 300 Plaza Drive

Address 2: Vestal, NY **City, State, & Zip Code:** 13850

Telephone: (607) 770-0155 **Cell Phone:** _____ **E-Mail:** _____

Applicant is:

- Individual(s)
- Corporation Year: _____ State: _____
- Partnership Year: _____ State: _____
- Sole Proprietorship Year: _____ State: _____
- Limited Liability Corporation Year: 1996 State: New York

CONTACT PERSON (if different than Applicant):

Name(s): Jeffrey Smetana

Address 1: 300 Plaza Drive

Address 2: Vestal, NY **City, State, & Zip Code:** 13850

Telephone: (607) 584-0034 **Cell Phone:** (518) 207-6723 **E-Mail:** jeff.smetana@newmandevelopment.com

NATURE OF BUSINESS:

Real Estate Development

COMPANY ATTORNEY:

Name(s): Howard Rittburg

Firm Name: Leven Gouldin & Thompson LLP

Address 1: 450 Plaza Drive

Address 2: Vestal, NY City, State, & Zip Code: 13850

Telephone: (607) 584-5656 Cell Phone: _____ E-Mail: hrittberg@lgtlegal.com

COMPANY ACCOUNTANT:

Name(s): Thomas Shanahan, CPA

Firm Name: Piaker & Lyons, PC

Address 1: 92 Hawley Street

Address 2: Binghamton, NY City, State, & Zip Code: 13902

Telephone: (607) 729-9373 Cell Phone: _____ E-Mail: tshanahan@pnlcpa.com

COMPANY OFFICERS:

<u>Name</u>	<u>Position</u>
<u>Marc Newman</u>	<u>Managing Member</u>
_____	_____
_____	_____
_____	_____

(attach additional list, as needed)

COMPANY PRINCIPALS (SHAREHOLDERS/MEMBERS):

<u>Name</u>	<u>% Interest</u>
<u>See Attachment A</u>	_____
_____	_____
_____	_____

(attach additional list, as needed)

DUE DILIGENCE:

1. Is the company current in all its tax obligations? Yes No

Explain: _____

2. Is the company delinquent in the payment of any loan? Yes No

Explain: _____

3. Has the company been declared in default on any of its loans? Yes No

Explain: _____

4. Has the company ever filed for bankruptcy? Yes No

Explain: _____

5. Have any of the company's principals ever personally filed for bankruptcy or in any way sought protection from creditors? Yes No

Explain: _____

6. Are there currently any unsatisfied judgments against the company? Yes No

Explain: _____

7. Are there currently any unsatisfied judgments against any of the company's principals? Yes No

Explain: _____

8. Are any of the company's principals or the company involved in any pending lawsuits? Yes No

Explain: See Attachment A

9. Is the company a not-for-profit corporation? Yes No

If "Yes," explain if property will be exempt from property taxation: _____

10. Please list all properties in the City of Ithaca owned by Applicant's company AND all properties owned by any individuals/entities with a 20% or greater ownership interest in Applicant's company. (This will be used for analysis of compliance with all applicable local laws/regulations, consent agreements, Director of Code Enforcement orders, and current status on all taxes, assessments, fees, and penalties due the City):

140 Seneca Way	140 Seneca Way, LLC
Street Address	Owner(s)
301 E. State Street	City Centre Associates LLC
Street Address	Owner(s)
Street Address	Owner(s)
Street Address	Owner(s)
Street Address	Owner(s)

— PART 2. PROJECT INFORMATION —

PROPOSED PROJECT DEVELOPMENT SITE & PURCHASE PRICE:

The Green Street Garage site is approx. 63,000 sq. feet in size with an additional 24,000 sq. feet of air rights.

Do you propose to purchase all, or a portion, of the project site? All Portion

If a portion, please estimate the square footage of the site to be purchased: +/- 35,000 sf

Proposed purchase price: \$ 0

Is this Purchase Price discounted to reflect Community Benefits included in the Project? Yes No

Projected net present value of Community Benefits offered: \$

PROJECT SUMMARY:

Market Rate Housing: 14 (Units)
Below Market Housing: 170 (Units)
Retail/Commercial: +/-20,000 (Square Feet)
Conference Center: TBD (Square Feet)
Parking Spaces Rehabilitated: 468 (Parking Spaces)
Parking Spaces Constructed: 57 (Parking Spaces)
Other: _____

COMMUNITY BENEFIT SUMMARY:

Selected Social Community Benefits (check each box if included in the project)

- Housing Units Affordable at 60% AMI:
- Housing Units Affordable at 80% AMI:
- Housing Units Affordable at 90% AMI:
- Housing Units Affordable at 100% AMI:
- Commitment to Utilize Local Construction Labor:
- Commitment to Construct High-Energy Performance Building:
- Commitment to Pay Employees Living Wage (\$15.11/hr.):
- Commitment to Implement Parking Demand Management Plan:

Selected Economic Community Benefits (check each box if included in the project)

- Repair/Replace Aged Public Parking:
- Creation of Full-Time Permanent Jobs:
- Attract New Visitors to Downtown:
- Attract New Workers to Downtown:
- Attract New Residents to Downtown:

Selected Physical Community Benefits (check each box if included in the project)

- Public Open Space:
- Street-Level Active Uses Along Green St.:
- Retain Existing Public Pedestrian Walkway Between Green St. & The Commons:
- Improve Public Pedestrian Connection(s) Between Green St. & The Commons:

PROJECT BUDGET SUMMARY:

Estimated Project Costs		Sources of Funds: Construction Financing		Sources of Funds: Permanent Financing	
Land Acquisition:	\$ Attachment A	Equity/Cash:	\$ Attachment A	Equity/Cash:	\$ Attachment A
Hard Costs:	\$	Lender #1:	\$	Lender #1:	\$
Soft Costs:	\$	Lender #2:	\$	Lender #2:	\$
Developer Fee:	\$	Other:	\$	Other:	\$
Professional Fees:	\$		\$		\$
Financing Fee:	\$				\$
Interest Reserve:	\$		\$		\$
Other:	\$		\$		\$
TOTAL:	\$	TOTAL:	\$	TOTAL:	\$

DEVELOPER EVALUATION OF PROJECT FINANCIAL FEASIBILITY:

Please check box identifying the primary metric you will use to evaluate project financial feasibility:

- Return on Equity (Cash-on-Cash Return):
- Return on Capital:
- Return on Assets:
- Internal Rate of Return:
- Satisfaction of Lender Underwriting Ratios (Loan:Value & Debt Coverage Ratio):
- Other: _____

DISCOUNT RATE:

Recent appraisals suggest the current discount rate for calculating present value of a stream of net income from a downtown mixed-use project is approximately 6.0% to 8.0%. Do you agree? Yes No

PROJECT TEAM:

Project Developer/Construction Manager: See Attachment A _____

Project Architect: _____

Additional Project Team Members: _____

ATTACHMENTS: See RFP for description of other materials to be submitted.

— PART 3. DECLARATIONS —

I (we) authorize the Ithaca Urban Renewal Agency to order credit reports and/or other financial background information on my (our) personal and business financial background. I (we) waive all claims against the Ithaca Urban Renewal Agency and its consultants. I (we) attest that to the best of my (our) knowledge, information, and belief, the information contained in the foregoing application is correct and true. I (we) am (are) aware the filing of a false instrument in connection with this application may constitute an attempt to defraud the Ithaca Urban Renewal Agency and may be a felony under the laws of the State of New York.

If Applicant is an individual(s), a sole proprietorship, or partnership, sign below:

Applicant's Signature: _____ **Date:** 9/06/2018

Name & Title (PRINT): Jeffrey R. Smetana

Applicant's Signature: _____ **Date:** _____

Name & Title (PRINT): _____

If Applicant is a corporation or LLC, sign below:

Applicant's Signature: _____ **Date:** _____

Name of Corporation (PRINT): _____

Authorized Signature: _____ **Date:** _____

Name & Title (PRINT): _____

ELECTRONIC SUBMISSION: Electronic submission of application and accompanying documents is encouraged, but not required. Incoming e-mails to IURA must be under 10 MB (incl. message envelope). E-mail to: nbohn@cityofithaca.org. No mailed original signed hardcopies needed, if electronic version is signed/dated/notarized.

STATE OF NEW YORK)
COUNTY OF TOMPKINS)

On this _____ day of _____, Two Thousand and _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to within the instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person of which the individual acted executed the instrument.

NOTARY PUBLIC

(Seal)

STATE OF NEW YORK)
COUNTY OF TOMPKINS)

On this _____ day of _____, Two Thousand and _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to within the instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person of which the individual acted executed the instrument.

NOTARY PUBLIC

(Seal)

PROJECT SPONSOR APPLICATION FORM

Property Address: 120 E. Green St., Ithaca, NY (Tax Parcel #: 70.-4-5.2)

Attachment A

Company Principals (Shareholders/Members)

<u>Name</u>	<u>% Interest</u>
The Estate of Barry Newman	16.67%
Marc Newman	16.67%
David Newman	16.67%
The Estate of Ferris Akel	16.67%
George Akel	16.67%
Ronald Akel	16.67%

Due Diligence

8. Are any of the company's principals or the company involved in any pending lawsuits? YES

Explain: Rhona Silver et al, vs. Barry Newma et al
Business Dispute Commercial 2010. Both Plaintiff Rhona Silver and Defendant, Barry Newman are deceased. Matter still technically pending.

PROJECT SPONSOR APPLICATION FORM

Property Address: 120 E. Green St., Ithaca, NY (Tax Parcel #: 70.-4-5.2)

Attachment A

Project Budget Summary

WORKFORCE HOUSING PROJECT

Estimated Project Costs	Sources of Funds: Construction Financing	Sources of Funds: Permanent Financing
Land Acquisition: \$ 5,000,000	Equity/Cash: \$ 8,231,000	Equity/Cash:
Hard Costs: \$ 30,515,000	Lender #1: \$ 28,180,000	Lender #1: \$ 28,760,000
Soft Costs: \$ 3,025,000	Lender #2: \$ -	Lender #2:
Developer Fee: \$ 2,050,000	Other: \$ -	Other:
Financing Fee: \$ 984,000	Land Contribution \$ 5,000,000	
Interest Reserve: \$ 1,477,000	Deferred Dev. Fee \$ 2,050,000	
Other: CM Fee \$ 410,000	Other: \$ -	
TOTAL: <u>\$ 43,461,000</u>	TOTAL: <u>\$ 43,461,000</u>	TOTAL: <u>\$ 28,760,000</u>

GARAGE RENOVATION & EXPANSION

Estimated Project Costs	Sources of Funds: Construction Financing	Sources of Funds: Permanent Financing
Land Acquisition: \$ -	Equity/Cash: \$ -	Equity/Cash: <i>Bonds provide both</i>
Hard Costs: \$ 11,435,000	Lender #1: \$ -	Lender #1: <i>construciton</i>
Soft Costs: \$ 848,000	Lender #2: \$ -	Lender #2: <i>and</i>
Developer Fee: \$ 662,000	Other: \$ -	Other: <i>permanent</i>
Financing Fee: \$ 767,000	Bonds: Tax-exempt \$ 13,792,000	<i>financing.</i>
Interest Reserve: \$ 191,000	Bonds: Taxable \$ 210,000	
Other: CM Fee \$ 99,000		
TOTAL: <u>\$ 14,002,000</u>	TOTAL: <u>\$ 14,002,000</u>	TOTAL: <u>\$ -</u>

PROJECT SPONSOR APPLICATION FORM

Property Address: 120 E. Green St., Ithaca, NY (Tax Parcel #: 70.-4-5.2)

Attachment A

AFFORDABLE HOUSING PROJECT

Estimated Project Costs	Sources of Funds: Construction Financing	Sources of Funds: Permanent Financing
Land Acquisition: \$ -	Equity/Cash: \$ -	Equity/Cash:
Hard Costs: \$ 8,730,523	Lender #1: \$ 5,132,793	Lender #1: \$ 600,000
Soft Costs: \$ 2,972,059	Lender #2: \$ 1,525,000	Lender #2: \$ 250,000
Developer Fee: \$ -	Other: \$ -	Other:
Financing Fee: \$ -	Fed & State LIHTC \$ 5,344,100	Fed & State LIHTC \$ 10,688,200
Interest Reserve: \$ 172,591	Ithaca HOME/CDBG \$ 200,000	Ithaca HOME/CDBG \$ 200,000
Other: Contingency \$ 456,520	County Community \$ 200,000	Co Com Hsg Dev Fndg \$ 200,000
Other: Working Cap. \$ 70,200	Housing Dev. Fund	HTFC Mortgage \$ 463,693
TOTAL: <u>\$ 12,401,893</u>	TOTAL: <u>\$ 12,401,893</u>	TOTAL: <u>\$ 12,401,893</u>

PROJECT SPONSOR APPLICATION FORM

Property Address: 120 E. Green St., Ithaca, NY (Tax Parcel #: 70.-4-5.2)

Attachment A


Project Team:

Project Developer:	Newman Development Group, LLC
Project Developer:	Visum Development Group
Project Developer:	Ithaca Neighborhood Housing Services
General Contractor:	Purcell Construction Corporation
Project Architect:	HOLT Architects, PC
Site/Civil Engineer:	T.G. Miller, PC
Site Planning/Landscape Architect:	Whitham Planning & Design
Energy Consultant/Engineer:	Taitem Engineering
Structural Engineer (Garage):	WGI Engineers (formerly Carl Walker Engineering)
Mechanical Engineer:	EC4B Engineering, PC
Traffic Engineer:	SRF Associates
Market Study Consultant:	Danter Company
Demolition Contractor:	Gorick Construction Company, Inc.

— PART 3. DECLARATIONS —

I (we) authorize the Ithaca Urban Renewal Agency to order credit reports and/or other financial background information on my (our) personal and business financial background. I (we) waive all claims against the Ithaca Urban Renewal Agency and its consultants. I (we) attest that to the best of my (our) knowledge, information, and belief, the information contained in the foregoing application is correct and true. I (we) am (are) aware the filing of a false instrument in connection with this application may constitute an attempt to defraud the Ithaca Urban Renewal Agency and may be a felony under the laws of the State of New York.

If Applicant is an individual(s), a sole proprietorship, or partnership, sign below:

Applicant's Signature:  **Date:** 9/06/2018

Name & Title (PRINT): Jeffrey R. Smetana

Applicant's Signature: _____ **Date:** _____

Name & Title (PRINT): _____

If Applicant is a corporation or LLC, sign below:

Applicant's Signature: _____ **Date:** _____

Name of Corporation (PRINT): _____

Authorized Signature: _____ **Date:** _____

Name & Title (PRINT): _____

ELECTRONIC SUBMISSION: Electronic submission of application and accompanying documents is encouraged, but not required. Incoming e-mails to IURA must be under 10 MB (incl. message envelope). E-mail to: nbohn@cityofithaca.org. No mailed original signed hardcopies needed, if electronic version is signed/dated/notarized.

STATE OF NEW YORK)
COUNTY OF TOMPKINS)

On this _____ day of _____, Two Thousand and _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to within the instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person of which the individual acted executed the instrument.

NOTARY PUBLIC

(Seal)

STATE OF NEW YORK)
COUNTY OF TOMPKINS)

On this _____ day of _____, Two Thousand and _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to within the instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person of which the individual acted executed the instrument.

NOTARY PUBLIC

(Seal)

WORKFORCE HOUSING & GARAGE PROJECTS						
Calculator of Net Present Value	NPV	Year 1	Year 2	Year 3	Year 4	Year 5
	5.00% Disc. Rate					
Property Taxes Paid	\$5,438,000	46,300	63,597	81,847	101,200	121,593
Sales Tax Revenue						
Annual Sales		3,000,000	3,090,000	3,182,700	3,278,181	3,376,526
City Sales Tax (4%)	\$2,630,000	120,000	123,600	127,308	131,127	135,061
New Parking Revenue	\$1,874,000	85,500	88,065	90,707	93,428	96,231
Interest Savings on Garage Debt						
Principal Balance		15,850,000	15,850,000	15,711,000	15,541,000	15,339,000
Interest Savings 2.00%	\$3,681,000	317,000	317,000	314,220	310,820	306,780
TOTAL	\$ 13,623,000					



Financial Plan / Mixed-use Project / Sources & Uses of Funds

WORKFORCE HOUSING PROJECT				
Sources & Uses of Funds				
		per SF	per Unit	Pct
		168,381	141	
Sources of Funds				
Debt - Construction Loan	28,180,000	\$167.36	\$199,858	64.8%
Equity - Grant	-	\$0.00	\$0	0.0%
Equity - Cash	8,231,000	\$48.88	\$58,376	18.9%
Equity - Land	5,000,000	\$29.69	\$35,461	11.5%
Equity - Def. Dev. Fee	2,050,000	\$12.17	\$14,539	4.7%
TOTAL SOURCES OF FUNDS	43,461,000	\$258.11	\$308,234	100.0%
Uses of Funds				
LAND				
Site Acquisition - West Garage	5,000,000	\$29.69	\$35,461	11.5%
Other Land Costs	-	\$0.00	\$0	0.0%
TOTAL LAND	5,000,000	\$29.69	\$35,461	11.5%
HARD COSTS				
Building Costs	28,395,000	\$168.64	\$201,383	65.3%
Utilities / Off-Site	200,000	\$1.19	\$1,418	0.5%
Other Hard Costs	500,000	\$2.97	\$3,546	1.2%
Contingency - Hard Costs	1,420,000	\$8.43	\$10,071	3.3%
TOTAL HARD COSTS	30,515,000	\$181.23	\$216,418	70.2%
FFE & TI's				
FFE - Residential & Common Areas	400,000	\$2.38	\$2,837	0.9%
TI - Common Area	100,000	\$0.59	\$709	0.2%
TI - Retail	800,000	\$4.75	\$5,674	1.8%
TOTAL FFE & TI's	1,300,000	\$7.72	\$9,220	3.0%
SOFT COSTS				
Soft Costs - A&E	2,111,000	\$12.54	\$14,972	4.9%
Soft Costs - Marketing & Leasing	130,000	\$0.77	\$922	0.3%
Soft Costs - Legal & Other	574,000	\$3.41	\$4,071	1.3%
Soft Costs - Leasing Commissions	210,000	\$1.25	\$1,489	0.5%
TOTAL SOFT COSTS	3,025,000	\$17.97	\$21,454	7.0%
FINANCE COSTS				
Finance & Closing Costs	984,000	\$5.84	\$6,979	2.3%
Capitalized Interest	1,477,000	\$8.77	\$10,475	3.4%
TOTAL FINANCE COSTS	2,461,000	\$14.62	\$17,454	5.7%
TOTAL PROJECT COSTS	41,001,000	\$243.50	\$290,787	94.3%
OTHER COSTS				
CM Fee	410,000	\$2.43	\$2,908	0.9%
Development Fee	2,050,000	\$12.17	\$14,539	4.7%
TOTAL SOURCES OF FUNDS	43,461,000	\$258.11	\$308,234	100.0%

Financial Plan / Mixed-use Project / 10-year Cash Flow

WORKFORCE HOUSING PROJECT											
10-Year Cash Flow											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	50.00%	25.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
	20.00%	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
REVENUE											
Rent - Apartments	3,149,820	3,244,300	3,341,600	3,441,800	3,545,100	3,651,500	3,761,000	3,873,800	3,990,000	4,109,700	
Rent - Retail	\$20.00 400,000	400,000	400,000	400,000	400,000	440,000	440,000	440,000	440,000	440,000	
Total Rent	3,549,820	3,644,300	3,741,600	3,841,800	3,945,100	4,091,500	4,201,000	4,313,800	4,430,000	4,549,700	
Vacancy & Adj's	(1,654,900)	(851,100)	(253,900)	(260,900)	(268,200)	(277,600)	(285,300)	(293,200)	(301,300)	(309,700)	
CAM Reimbursement	94,600	97,400	100,300	103,300	106,400	109,600	112,900	116,300	119,800	123,400	
Other Income	14,100	14,500	14,900	15,300	15,800	16,300	16,800	17,300	17,800	18,300	
TOTAL REVENUE	2,003,620	2,905,100	3,602,900	3,699,500	3,799,100	3,939,800	4,045,400	4,154,200	4,266,300	4,381,700	
EXPENSES											
Commercial Expenses	96,000	98,900	101,900	105,000	108,200	111,400	114,700	118,100	121,600	125,200	
Operating Expenses & Rest	469,400	483,500	498,000	512,900	528,300	544,100	560,400	577,200	594,500	612,300	
Taxes (w/o PILOT)	509,300	524,600	540,300	556,500	573,200	590,400	608,100	626,300	645,100	664,500	
Management Fee	104,400	87,200	108,100	111,000	114,000	118,200	121,400	124,600	128,000	131,500	
TOTAL EXPENSES	1,179,100	1,194,200	1,248,300	1,285,400	1,323,700	1,364,100	1,404,600	1,446,200	1,489,200	1,533,500	
NOI - before Tax Abatement	824,520	1,710,900	2,354,600	2,414,100	2,475,400	2,575,700	2,640,800	2,708,000	2,777,100	2,848,200	
Tax Abatement	463,000	461,003	458,453	455,400	451,707	447,417	442,400	436,693	430,247	423,010	
NOI - after Tax Abatement	1,287,520	2,171,903	2,813,053	2,869,500	2,927,107	3,023,117	3,083,200	3,144,693	3,207,347	3,271,210	
DEBT SERVICE											
const. L+375	1,648,530	1,648,530	2,069,169	2,069,169	2,069,169	2,069,169	2,069,169	2,069,169	2,069,169	2,069,169	
perm. 10-yr-300			6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
	5.85%	5.85%	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	
CASH FLOW	(361,010)	523,373	743,884	800,331	857,938	953,948	1,014,031	1,075,524	1,138,178	1,202,041	
DSCR	0.78	1.32	1.36	1.39	1.41	1.46	1.49	1.52	1.55	1.58	

GARAGE RENOVATION & EXPANSION
10-Year Cash Flow

ALTERNATIVE FINANCIAL ASSUMPTION SCENARIOS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Monthly	524,400	540,100	556,300	573,000	590,200	607,900	626,100	644,900	664,200	684,100
Daily	274,700	282,900	291,400	300,100	309,100	318,400	328,000	337,800	347,900	358,300
Weekend/Evening	198,000	203,900	210,000	216,300	222,800	229,500	236,400	243,500	250,800	258,300
Other	-	-	-	-	-	-	-	-	-	-
Total Rent	997,100	1,026,900	1,057,700	1,089,400	1,122,100	1,155,800	1,190,500	1,226,200	1,262,900	1,300,700
Sales Tax & Adj's	(79,800)	(82,200)	(84,600)	(87,200)	(89,800)	(92,500)	(95,200)	(98,100)	(101,000)	(104,100)
Other Income	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	917,300	944,700	973,100	1,002,200	1,032,300	1,063,300	1,095,300	1,128,100	1,161,900	1,196,600
EXPENSES										
Operating Expenses & Resi	295,800	304,700	313,800	323,200	332,900	342,900	353,200	363,800	374,700	385,900
Taxes (w/o PILOT)	-	-	-	-	-	-	-	-	-	-
Property Management Fee	27,500	28,300	29,200	30,100	31,000	31,900	32,900	33,800	34,900	35,900
Asset Management Fee	22,900	23,600	24,300	25,100	25,800	26,600	27,400	28,200	29,000	29,900
TOTAL EXPENSES	346,200	356,600	367,300	378,400	389,700	401,400	413,500	425,800	438,600	451,700
NOI - before Tax Abatemen	571,100	588,100	605,800	623,800	642,600	661,900	681,800	702,300	723,300	744,900
DEBT SERVICE	802,172	802,172	802,172	802,172	802,172	802,172	802,172	802,172	802,172	802,172
const. L+200	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
perm. 10-yr+100	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort	perm amort
CASH FLOW	(231,072)	(214,072)	(196,372)	(178,372)	(159,572)	(140,272)	(120,372)	(99,872)	(78,872)	(57,272)
DSCR	0.71	0.73	0.76	0.78	0.80	0.83	0.85	0.88	0.90	0.93

Scenario 1 Same as RFP submission
ASSUMPTIONS

Construction Cost	\$75.00 / SF
Total Bond Principal	\$ 14,002,000
Debt Service Reserve Fund	\$ -
Principal Amortization Type	Even

ALTERNATIVE FINANCIAL ASSUMPTION SCENARIOS										
10-Year Cash Flow										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Monthly	524,400	540,100	556,300	573,000	590,200	607,900	626,100	644,900	664,200	684,100
Daily	274,700	282,900	291,400	300,100	309,100	318,400	328,000	337,800	347,900	358,300
Weekend/Evening	198,000	203,900	210,000	216,300	222,800	229,500	236,400	243,500	250,800	258,300
Other	-	-	-	-	-	-	-	-	-	-
Total Rent	997,100	1,026,900	1,057,700	1,089,400	1,122,100	1,155,800	1,190,500	1,226,200	1,262,900	1,300,700
Sales Tax & Adj's	(79,800)	(82,200)	(84,600)	(87,200)	(89,800)	(92,500)	(95,200)	(98,100)	(101,000)	(104,100)
Other Income	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	917,300	944,700	973,100	1,002,200	1,032,300	1,063,300	1,095,300	1,128,100	1,161,900	1,196,600
EXPENSES										
Operating Expenses & Resi Taxes (w/o PILOT)	295,800	304,700	313,800	323,200	332,900	342,900	353,200	363,800	374,700	385,900
Property Management Fee	27,500	28,300	29,200	30,100	31,000	31,900	32,900	33,800	34,900	35,900
Asset Management Fee	22,900	23,600	24,300	25,100	25,800	26,600	27,400	28,200	29,000	29,900
TOTAL EXPENSES	346,200	356,600	367,300	378,400	389,700	401,400	413,500	425,800	438,600	451,700
NOI - before Tax Abatemen	571,100	588,100	605,800	623,800	642,600	661,900	681,800	702,300	723,300	744,900
DEBT SERVICE										
const. L+200	596,640	596,640	727,640	751,400	775,000	797,400	818,600	838,600	857,400	874,000
perm. 10-yr+100	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort
CASH FLOW	(25,540)	(8,540)	(121,840)	(127,600)	(132,400)	(135,500)	(136,800)	(136,300)	(134,100)	(129,100)
DSCR	0.96	0.99	0.83	0.83	0.83	0.83	0.83	0.84	0.84	0.85

Scenario 2 ASSUMPTIONS	
Construction Cost	\$75.00 / SF
Total Bond Principal	\$ 14,916,000
Debt Service Reserve Fund	\$ 864,000
Principal Amortization Type	Flexible

GARAGE RENOVATION & EXPANSION **ALTERNATIVE FINANCIAL ASSUMPTION SCENARIOS**

10-Year Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Monthly	524,400	540,100	556,300	573,000	590,200	607,900	626,100	644,900	664,200	684,100
Daily	274,700	282,900	291,400	300,100	309,100	318,400	328,000	337,800	347,900	358,300
Weekend/Evening	198,000	203,900	210,000	216,300	222,800	229,500	236,400	243,500	250,800	258,300
Other	-	-	-	-	-	-	-	-	-	-
Total Rent	997,100	1,026,900	1,057,700	1,089,400	1,122,100	1,155,800	1,190,500	1,226,200	1,262,900	1,300,700
Sales Tax & Adj's	(79,800)	(82,200)	(84,600)	(87,200)	(89,800)	(92,500)	(95,200)	(98,100)	(101,000)	(104,100)
Other Income	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	917,300	944,700	973,100	1,002,200	1,032,300	1,063,300	1,095,300	1,128,100	1,161,900	1,196,600
EXPENSES										
Operating Expenses & Resi Taxes (w/o PILOT)	295,800	304,700	313,800	323,200	332,900	342,900	353,200	363,800	374,700	385,900
Property Management Fee	27,500	28,300	29,200	30,100	31,000	31,900	32,900	33,800	34,900	35,900
Asset Management Fee	22,900	23,600	24,300	25,100	25,800	26,600	27,400	28,200	29,000	29,900
TOTAL EXPENSES	346,200	356,600	367,300	378,400	389,700	401,400	413,500	425,800	438,600	451,700
NOI - before Tax Abatemen	571,100	588,100	605,800	623,800	642,600	661,900	681,800	702,300	723,300	744,900
DEBT SERVICE										
const. L+200	634,000	634,000	773,000	798,440	823,640	847,560	869,200	890,600	910,720	929,560
perm. 10-yr+100	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort
CASH FLOW	(62,900)	(45,900)	(167,200)	(174,640)	(181,040)	(185,660)	(187,400)	(188,300)	(187,420)	(184,660)
DSCR	0.90	0.93	0.78	0.78	0.78	0.78	0.78	0.79	0.79	0.80

Scenario 3 ASSUMPTIONS	
Construction Cost	\$90.00 / SF
Total Bond Principal	\$ 15,850,000
Debt Service Reserve Fund	\$ -
Principal Amortization Type	Flexible

GARAGE RENOVATION & EXPANSION
10-Year Cash Flow **Year 1** **Year 2** **Year 3** **Year 4** **Year 5** **Year 6** **Year 7** **Year 8** **Year 9** **Year 10**
ALTERNATIVE FINANCIAL ASSUMPTION SCENARIOS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE										
Monthly	524,400	540,100	556,300	573,000	590,200	607,900	626,100	644,900	664,200	684,100
Daily	274,700	282,900	291,400	300,100	309,100	318,400	328,000	337,800	347,900	358,300
Weekend/Evening	198,000	203,900	210,000	216,300	222,800	229,500	236,400	243,500	250,800	258,300
Other	-	-	-	-	-	-	-	-	-	-
Total Rent	997,100	1,026,900	1,057,700	1,089,400	1,122,100	1,155,800	1,190,500	1,226,200	1,262,900	1,300,700
Sales Tax & Adj's	(79,800)	(82,200)	(84,600)	(87,200)	(89,800)	(92,500)	(95,200)	(98,100)	(101,000)	(104,100)
Other Income	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	917,300	944,700	973,100	1,002,200	1,032,300	1,063,300	1,095,300	1,128,100	1,161,900	1,196,600
EXPENSES										
Operating Expenses & Resi	295,800	304,700	313,800	323,200	332,900	342,900	353,200	363,800	374,700	385,900
Taxes (w/o PILOT)	-	-	-	-	-	-	-	-	-	-
Property Management Fee	27,500	28,300	29,200	30,100	31,000	31,900	32,900	33,800	34,900	35,900
Asset Management Fee	22,900	23,600	24,300	25,100	25,800	26,600	27,400	28,200	29,000	29,900
TOTAL EXPENSES	346,200	356,600	367,300	378,400	389,700	401,400	413,500	425,800	438,600	451,700
NOI - before Tax Abatemen	571,100	588,100	605,800	623,800	642,600	661,900	681,800	702,300	723,300	744,900
DEBT SERVICE										
const. L+200	675,440	675,440	823,440	851,520	877,240	902,640	926,680	949,360	969,680	989,680
perm. 10-yr+100	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort	4.00% perm amort
CASH FLOW	(104,340)	(87,340)	(217,640)	(227,720)	(234,640)	(240,740)	(244,880)	(247,060)	(246,380)	(244,780)
DSCR	0.85	0.87	0.74	0.73	0.73	0.73	0.74	0.74	0.75	0.75

Scenario 4 ASSUMPTIONS	
Construction Cost	\$90.00 / SF
Total Bond Principal	\$ 16,886,000
Debt Service Reserve Fund	\$ 979,000
Principal Amortization Type	Flexible

Projected Amortization Schedule

Scenario 1

ASSUMPTIONS		
Construction Cost		\$75.00 / SF
Total Bond Principal	\$	14,002,000
Debt Service Reserve Fund	\$	-
Principal Amortization Type		Even

Year	Payment	Interest	Principal	Balance
		4.00%		14,002,000
1	802,172	549,282	252,890	13,749,110
2	802,172	539,361	262,811	13,486,299
3	802,172	529,052	273,121	13,213,178
4	802,172	518,337	283,835	12,929,343
5	802,172	507,203	294,969	12,634,374
6	802,172	495,632	306,541	12,327,833
7	802,172	483,606	318,566	12,009,267
8	802,172	471,109	331,063	11,678,205
9	802,172	458,122	344,050	11,334,154
10	802,172	444,626	357,547	10,976,608
11	802,172	430,599	371,573	10,605,035
12	802,172	416,023	386,149	10,218,886
13	802,172	400,875	401,297	9,817,588
14	802,172	385,132	417,040	9,400,548
15	802,172	368,772	433,400	8,967,148
16	802,172	351,771	450,402	8,516,747
17	802,172	334,102	468,070	8,048,677
18	802,172	315,740	486,432	7,562,244
19	802,172	296,658	505,514	7,056,730
20	802,172	276,827	525,345	6,531,385
21	802,172	256,219	545,954	5,985,431
22	802,172	234,801	567,371	5,418,060
23	802,172	212,544	589,628	4,828,432
24	802,172	189,414	612,759	4,215,674
25	802,172	165,376	636,796	3,578,877
26	802,172	140,395	661,777	2,917,100
27	802,172	114,434	687,738	2,229,362
28	802,172	87,455	714,717	1,514,645
29	802,172	59,418	742,755	771,891
30	802,172	30,280	771,892	(1)
	24,065,168	10,063,167	14,002,001	-

Projected Amortization Schedule

Scenario 2

ASSUMPTIONS		
Construction Cost		\$75.00 / SF
Total Bond Principal	\$	14,916,000
Debt Service Reserve Fund	\$	864,000
Principal Amortization Type		Flexible

Year	Payment	Interest	Principal	Balance
		4.00%		14,916,000
1	596,640	596,640	-	14,916,000
2	596,640	596,640	-	14,916,000
3	727,640	596,640	131,000	14,785,000
4	751,400	591,400	160,000	14,625,000
5	775,000	585,000	190,000	14,435,000
6	797,400	577,400	220,000	14,215,000
7	818,600	568,600	250,000	13,965,000
8	838,600	558,600	280,000	13,685,000
9	857,400	547,400	310,000	13,375,000
10	874,000	535,000	339,000	13,036,000
11	890,440	521,440	369,000	12,667,000
12	905,680	506,680	399,000	12,268,000
13	919,720	490,720	429,000	11,839,000
14	932,560	473,560	459,000	11,380,000
15	943,200	455,200	488,000	10,892,000
16	953,680	435,680	518,000	10,374,000
17	962,960	414,960	548,000	9,826,000
18	971,040	393,040	578,000	9,248,000
19	977,920	369,920	608,000	8,640,000
20	983,600	345,600	638,000	8,002,000
21	987,080	320,080	667,000	7,335,000
22	990,400	293,400	697,000	6,638,000
23	992,520	265,520	727,000	5,911,000
24	993,440	236,440	757,000	5,154,000
25	993,160	206,160	787,000	4,367,000
26	991,680	174,680	817,000	3,550,000
27	988,000	142,000	846,000	2,704,000
28	984,160	108,160	876,000	1,828,000
29	979,120	73,120	906,000	922,000
30	958,880	36,880	922,000	-
	26,932,560	12,016,560	14,916,000	-

Projected Amortization Schedule

Scenario 3

ASSUMPTIONS		
Construction Cost		\$90.00 / SF
Total Bond Principal	\$	15,850,000
Debt Service Reserve Fund	\$	-
Principal Amortization Type		Flexible

Year	Payment	Interest	Principal	Balance
		4.00%		15,850,000
1	634,000	634,000	-	15,850,000
2	634,000	634,000	-	15,850,000
3	773,000	634,000	139,000	15,711,000
4	798,440	628,440	170,000	15,541,000
5	823,640	621,640	202,000	15,339,000
6	847,560	613,560	234,000	15,105,000
7	869,200	604,200	265,000	14,840,000
8	890,600	593,600	297,000	14,543,000
9	910,720	581,720	329,000	14,214,000
10	929,560	568,560	361,000	13,853,000
11	946,120	554,120	392,000	13,461,000
12	962,440	538,440	424,000	13,037,000
13	977,480	521,480	456,000	12,581,000
14	990,240	503,240	487,000	12,094,000
15	1,002,760	483,760	519,000	11,575,000
16	1,014,000	463,000	551,000	11,024,000
17	1,022,960	440,960	582,000	10,442,000
18	1,031,680	417,680	614,000	9,828,000
19	1,039,120	393,120	646,000	9,182,000
20	1,045,280	367,280	678,000	8,504,000
21	1,049,160	340,160	709,000	7,795,000
22	1,052,800	311,800	741,000	7,054,000
23	1,055,160	282,160	773,000	6,281,000
24	1,055,240	251,240	804,000	5,477,000
25	1,055,080	219,080	836,000	4,641,000
26	1,053,640	185,640	868,000	3,773,000
27	1,049,920	150,920	899,000	2,874,000
28	1,045,960	114,960	931,000	1,943,000
29	1,040,720	77,720	963,000	980,000
30	1,019,200	39,200	980,000	-
	28,619,680	12,769,680	15,850,000	-

Projected Amortization Schedule

Scenario 4

ASSUMPTIONS		
Construction Cost		\$90.00 / SF
Total Bond Principal	\$	16,886,000
Debt Service Reserve Fund	\$	979,000
Principal Amortization Type		Flexible

Year	Payment	Interest	Principal	Balance
		4.00%		16,886,000
1	675,440	675,440	-	16,886,000
2	675,440	675,440	-	16,886,000
3	823,440	675,440	148,000	16,738,000
4	851,520	669,520	182,000	16,556,000
5	877,240	662,240	215,000	16,341,000
6	902,640	653,640	249,000	16,092,000
7	926,680	643,680	283,000	15,809,000
8	949,360	632,360	317,000	15,492,000
9	969,680	619,680	350,000	15,142,000
10	989,680	605,680	384,000	14,758,000
11	1,008,320	590,320	418,000	14,340,000
12	1,025,600	573,600	452,000	13,888,000
13	1,040,520	555,520	485,000	13,403,000
14	1,055,120	536,120	519,000	12,884,000
15	1,068,360	515,360	553,000	12,331,000
16	1,080,240	493,240	587,000	11,744,000
17	1,090,760	469,760	621,000	11,123,000
18	1,098,920	444,920	654,000	10,469,000
19	1,106,760	418,760	688,000	9,781,000
20	1,113,240	391,240	722,000	9,059,000
21	1,118,360	362,360	756,000	8,303,000
22	1,121,120	332,120	789,000	7,514,000
23	1,123,560	300,560	823,000	6,691,000
24	1,124,640	267,640	857,000	5,834,000
25	1,124,360	233,360	891,000	4,943,000
26	1,122,720	197,720	925,000	4,018,000
27	1,118,720	160,720	958,000	3,060,000
28	1,114,400	122,400	992,000	2,068,000
29	1,108,720	82,720	1,026,000	1,042,000
30	1,083,680	41,680	1,042,000	-
	30,489,240	13,603,240	16,886,000	-